

DEPARTMENT OF STATE REVENUE

Departmental Notice #2

December 1, 2005

Prepayment of Sales Tax on Gasoline

This document is not a “statement” required to be published in the Indiana Register under IC 4-22-7-7. However, under IC 6-2.5-7-14, the Department is required to publish the prepayment rate in the June and December issues of the Indiana Register. The purpose of this notice is to inform each refiner, terminal operator, and qualified distributor known to the Department to be required to collect prepayments of sales tax on gasoline of the “prepayment rate” effective for the next six-month period. A prepayment rate is calculated twice a year by the Department and is effective for the period January 1 through June 30, or, July 1 through December 31, as appropriate.

The prepayment rate is defined by IC 6-2.5-7-1 as the product of:

- 1) the statewide average retail price per gallon of gasoline (excluding the Indiana gasoline tax, the federal gasoline tax, and the Indiana gross retail tax); multiplied by
- 2) the state gross retail tax rate [6%]; multiplied by
- 3) ninety percent (90%); and then
- 4) rounded to the nearest one-tenth of one cent (\$0.001)


The prepayment rate of sales tax on gasoline for the six – (6) month period beginning January 1, 2006, is eleven and two-tenths cents (\$0.112) per gallon.

Using the most recent retail price of gasoline available (as required by IC 6-2.5-7-14(b)), the Department has determined the statewide average retail price per gallon of gasoline to be two dollars and six and six tenths cents (\$2.066). The most recent retail price of gasoline available was based on data contained in the November 2005 Petroleum Marketing Monthly as published by the Energy Information Agency.

The prepayment rates for periods beginning July 1, 1994 are established below:

| <u>Period</u> | <u>Rate Per Gallon</u> |
|-----------------------------------|------------------------|
| July 1, 1994 to December 31, 1994 | 2.9 cents |
| January 1, 1995 to June 30, 1995 | 3.7 cents |
| July 1, 1995 to December 31, 1995 | 3.3 cents |
| January 1, 1996 to June 30, 1996 | 3.3 cents |
| July 1, 1996 to December 31, 1996 | 3.4 cents |
| January 1, 1997 to June 30, 1997 | 4.0 cents |
| July 1, 1997 to December 31, 1997 | 3.9 cents |
| January 1, 1998 to June 30, 1998 | 4.0 cents |
| July 1, 1998 to December 31, 1998 | 2.9 cents |
| January 1, 1999 to June 30, 1999 | 3.0 cents |
| July 1, 1999 to December 31, 1999 | 2.4 cents |
| January 1, 2000 to June 30, 2000 | 3.6 cents |
| July 1, 2000 to December 31, 2000 | 4.6 cents |
| January 1, 2001 to June 30, 2001 | 4.9 cents |
| July 1, 2001 to December 31, 2001 | 4.9 cents |
| January 1, 2002 to June 30, 2002 | 4.9 cents |
| July 1, 2002 to December 31, 2002 | 3.2 cents |
| January 1, 2003 to June 30, 2003 | 5.3 cents |
| July 1, 2003 to December 31, 2003 | 6.6 cents |
| January 1, 2004 to June 30, 2004 | 6.5 cents |
| July 1, 2004 to December 31, 2004 | 6.6 cents |
| January 1, 2005 to June 30, 2005 | 7.6 cents |
| July 1, 2005 to December 31, 2005 | 7.8 cents |
| January 1, 2006 to June 30, 2006 | 11.2 cents |

Indiana Department of State Revenue

A handwritten signature in black ink, reading "John Eckart". The signature is written in a cursive style with a large, looping initial "J". A horizontal line is drawn across the signature.

John Eckart
Commissioner